

MOTION BY SUPERVISOR MICHAEL D. ANTONOVICH
AND SUPERVISOR ZEV YAROSLAVSKY

September 28, 2010

RELATED TO ITEM S-1 (OLIVE VIEW-UCLA MEDICAL CENTER INPATIENT UNIT)

In 2004, this Board approved construction of a new emergency room and an inpatient unit to serve patients with infectious disease at Olive View-UCLA Medical Center. The purpose of the inpatient unit was to increase the County’s capacity to isolate patients in the event of a bioterrorism event, and would be available for daily use to treat up to 15 long-term tuberculosis (TB) or other infectious disease patients, requiring isolation, who no longer require an acute admission, but who cannot be discharged into the community.

This has been the expectation for this unit since it was planned. The Departments of Health Services and Public Health advocated for its use for the TB patients based on historic experience that, at that time, DHS hospitals housed between seven and 13 of these patients on any given day. Because these patients no longer require acute care, the hospitals are not able to bill Medi-Cal or other payers for an acute admission. The expectation was that Olive View would seek program flexibility from the State to staff these beds at a lower level of care and thus incur lower costs to treat these patients.

Earlier this year, DHS opted not to include funding for the new inpatient unit in its FY 2010-11 budget request, based on a flawed financial analysis. In conducting this analysis the Department appears not to have taken into account that utilization of the Olive View beds in this manner would increase the availability of inpatient beds for other acute patients who are seen in the hospital emergency rooms and require admission, as well as increase revenue for the hospitals because the patients who would backfill behind these beds have a greater likelihood of revenue based both on a shorter length of stay and the acuity of their diagnosis.

- MORE -

MOTION

RIDLEY-THOMAS	_____
YAROSLAVSKY	_____
KNABE	_____
ANTONOVICH	_____
MOLINA	_____

Subsequently, the Department, working with Public Health, revised both the census and revenue estimates and determined that the potential increased revenue from relocating these long-term patients to a unit staffed at a lower level of acuity reduced the estimated cost of operating this inpatient unit from \$4.6 million in original estimate down to \$2.2 million annually. As a result, \$1.1 million in partial year funding was included in the supplemental budget request put forth by DHS. This amount subsequently was removed by the County Chief Executive Officer at the request of DHS, based on concerns about the deficit.

It is also important to note that while this reassessment resulted in a significant cost reduction, it failed to take into account the availability of these beds for other long-term infectious disease patients who may be taking up acute care beds in the hospitals. According to data provided by the Department last week, there are a number of infectious disease patients admitted to the four hospitals on any given day who no longer require acute care, but remain admitted pending a placement or other disposition and who could be cared for in this new unit. Inclusion of this patient population could result in further additional revenue to the Department and improved access to acute care beds.

The elimination of funding for these additional beds comes at the same time the Department and this Board are wrestling with the overcrowding and challenges facing the three acute care hospitals. It does not make sense to allow this brand new building to sit empty, for a relatively small cost, when it could be part of the solution to overcrowding in the hospitals and emergency rooms and provide more appropriate care to these long-term patients.

I, THEREFORE, MOVE that the Board of Supervisors direct the Chief Executive Officer to allocate \$1.1 million in FY 2010-11 from the Provisional Financing Uses budget to the HO-60050-Level 1 fund for the Olive View-UCLA Medical Center inpatient unit.

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MDA:flh

s:\motions\Olive View-UCLA Medical Center Inpatient Unit

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S.
NO. 060

DEPARTMENT OF CHIEF EXECUTIVE OFFICE

September 28, 2010

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2010-11

4 - VOTES

SOURCESUSES

SEE ATTACHED

SEE ATTACHED

SOURCES TOTAL: \$ 4,134,000

USES TOTAL: \$ 4,134,000

JUSTIFICATION

Reflects funding for the Olive View-UCLA Medical Center as approved by the Board of Supervisors on September 28, 2010.

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

S-1

SEP 28 2010

[Signature]
AUTHORIZED SIGNATURE Loreto Maldonado, Manager CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

[Signature]
SACHI A. HAMAI
EXECUTIVE OFFICER

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR ---

☐

ACTION

☒

RECOMMENDATION

AUDITOR-CONTROLLER

BY

[Signature]

B.A. NO. S199

Oct 7

20 10

☒

APPROVED AS REQUESTED

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APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY

[Signature]

Oct. 7, 20 10

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

**DEPARTMENT OF HEALTH SERVICES
SUPPLEMENTAL BUDGET ADJUSTMENT
FISCAL YEAR 2010-11**

4-VOTE

SOURCES:

ValleyCare Network

MN3-HO-92-9433-60050	
Medi-Cal	\$ 749,000
Increase Revenue	

MN3-HO-92-9416-60050	
Safety Net Care Pool (SNCP)	140,000
Increase Revenue	

MN3-HO-92-9435-60050	
Medicare	856,000
Increase Revenue	

MN3-HO-92-9419-60050	
Hospital Insurance Collection	281,000
Increase Revenue	

MN3-HO-96-9912-60050	
Operating Subsidy-General Fund	1,054,000
Increase Revenue	

Total ValleyCare Network	\$ 3,080,000
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PFU-ECONOMIC RESERVE

A01-CB-2000-13749-13764	
Services and Supplies	1,054,000
Decrease Appropriation	

TOTAL SOURCES	\$ 4,134,000
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USES:

ValleyCare Network

MN3-HO-1000-60050	
Salaries and Employee Benefits	\$ 1,368,000
Increase Appropriation	

MN3-HO-2000-60050	
Services and Supplies	1,482,000
Increase Appropriation	

MN3-HO-92-9417-60050	
Medi-Cal DSH	230,000
Decrease Revenue	

Total ValleyCare Network	\$ 3,080,000
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General Fund Subsidy - ValleyCare

A01-AC-21200-21232-6100	
Operating Transfers Out	1,054,000
Increase Appropriation	

TOTAL USES	\$ 4,134,000
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PA# 5199 Karen Shikuma 10/7/10